

# G.I.F. Services, LLC.

Tel 770-319-0037

Fax 770-319-0580

## MEMORANDUM

**To:** Colleen Lewis  
City of Las Vegas

**From:** Steve McCoy  
John Tillapaugh

**Date:** June 19, 2006

**RE: NVEST Account Fees**

---

It was a pleasure speaking with you last week in anticipation of the opening of the NVEST account for the City of Las Vegas. The fees on this account will be as follows:

Account Fees:

Fixed Component: 12.5 bp annually

The fixed fee component is an annual fee paid to Advisor quarterly in arrears on the market value of portfolio assets as determined by the Custodian. The fee is calculated by applying the appropriate annual rate, as shown above, to the total market value of assets in the portfolio as of the end of the quarter and then taking 25% of the total as the quarterly fee. Such fee will be paid in quarterly installments on the last business day of the month following the end of each calendar quarter.

Variable Component:

The variable fee component is an annual fee paid to Advisor annually in arrears (when an excess return is achieved) on the market value of portfolio assets as determined by the Custodian. The fee is calculated by applying the appropriate annual rate, as shown below, to the total market value of assets in the portfolio as of the end of the 12 month period. Such fee will be paid on the last business day of the month following the end of the 12 month period.

- First 12 months: Equal to 10% of the excess return of the Account vs. the Account benchmark index (Merrill Lynch 1-3 year Treasury Index).
- Second 12 months: Equal to 10% of the simple average of the excess return of the Account vs. the Account benchmark index for years 1 and 2 (i.e. (Year 1 excess + Year 2 excess)/2).
- Third 12 months: Equal to 10% of the simple average of the excess return of the Account vs. the Account benchmark index for years 2 and 3 (i.e. (Year 2 excess + Year 3 excess)/2).
- Fourth 12 months and thereafter follow the same formula.